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IAC-D-22/3

28 June 1954

INTELLIGENCE ADVISORY COMMITTEE

Proposed DCID 15/1

1. Over the three years since NSCID-15 was issued (13 June 1951) a need has been felt among the IAC agencies for a more refined delineation of responsibilities for the production of foreign economic intelligence.
2. In an attempt to meet this need and the responsibility for coordinating intelligence in such a way as to prevent unnecessary duplication, the Director of Central Intelligence proposes to issue an intelligence directive, DCID 15/1, "Production of Economic Intelligence," a draft of which is attached for your consideration.
3. It will be noted that Paragraph 1 sets forth principles in similar terms to those the IAC agreed to in DCID 3/4, "Production of Scientific Intelligence." Paragraph 2 assigns primary areas of responsibility, in geographic and/or functional terms, while at the same time recognizing that the dividing lines can never be sharply delineated. Paragraph 3 merely adds to the present functions of the Economic Intelligence Committee that of coordinating external research on economic intelligence. That there has been considerable duplication of effort in this field is apparent from a study of EIC-S-13, "Report of Government Sponsored External Economic Research Projects on the Soviet Bloc" and OIR/State reports on government sponsored "Foreign Area and Psychological Warfare Research." Early action is desirable in order to meet the criticism to which the intelligence community has been exposed on this score by the Congress.
4. It is suggested that the attached draft be considered in principle at an early meeting of the IAC.

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Secretary

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State Dept. declassification & release instructions on file

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Proposed Director of Central Intelligence Directive 15/1

Production of Economic Intelligence

(_____ 54; Confidential)

Pursuant to the provisions of NSCID Nos. 1, 3, and 15, and for the purpose of strengthening the over-all governmental intelligence structure for the production of economic intelligence, the following policies and operating procedures are hereby established:

1. Policies

In discharging allocated responsibilities and effecting integration of economic intelligence, the interested departments and agencies will apply the following basic principles:

a. No complete separation of areas of interest is possible or necessarily desirable in economic intelligence activities.

b. Full and free interchange of all intelligence information and finished intelligence and schedules of research programs, including external research, between all agencies concerned is essential.

c. No one agency is considered to be the final authority in any field; conclusions may be questioned by other IAC agencies and dissents recorded.

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d. Any agency may make such studies as it believes necessary to supplement intelligence obtained from other agencies in order to fulfill its agency functions, but basic research studies should not normally be undertaken without advance consultation with the agency having primary responsibility for the subject matter involved.

e. An agency charged with primary responsibility in a particular field will develop special competence in that field and will normally carry out most of the research in that field.

f. Each intelligence agency will endeavor to coordinate the intelligence activities of its Technical Services and its other facilities having economic intelligence production capabilities with the work of the IAC intelligence agencies and to make available to those agencies the intelligence produced by such Services and facilities.

2. Allocation of Primary Production Responsibilities

a. Production of general economic intelligence on countries outside the Soviet Bloc* is the responsibility of the Department of State.

*As used herein, "Soviet Bloc" includes USSR, Communist China, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Soviet occupied portions of Germany and Austria, and Communist dominated portions of Korea and Indo-China.

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b. Production of general economic intelligence on the Soviet Bloc* is the responsibility of the Central Intelligence Agency.

c. Production of military-economic intelligence on all foreign countries (including, by way of illustration, intelligence on military requirements, military end-item production, shipbuilding and ship movements, logistic capabilities, vulnerabilities to all forms of military attack, and target systems analysis) is the responsibility of the departments of the Department of Defense.

d. Despite the above-mentioned allocations of primary production responsibilities, there will be areas of common or overlapping interest which will require continuing inter-agency liaison and cooperation.

3. Responsibility for Economic Intelligence Coordination

a. The Central Intelligence Agency will continue to have the responsibility for coordination of foreign economic intelligence as outlined in NSCID No. 15. To assist the Central Intelligence Agency in carrying out this responsibility, the Economic Intelligence Committee (EIC) shall continue to perform the functions outlined in IAC-D-22/1 (Revised),

29 May 1951.

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*See footnote, page 2.

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b. In order to minimize the duplication of effort and expense, the EIC will prepare and circulate consolidated periodic lists of the economic research being conducted within the intelligence agencies. All external projects for research in support of economic intelligence production involving more than \$5,000 will be submitted to the EIC for recommendation in advance of final approval. The EIC will advise the sponsoring agencies of its recommendations and will summarize these recommendations, together with subsequent agency actions, in periodic reports to the IAC.

ALLEN W. DULLES

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Proposed Director of Central Intelligence Directive 15/1
Production and Coordination of Foreign Economic Intelligence
(_____ 54; Confidential)

Pursuant to the provisions of NSCID Nos. 1, 3, and 15, and for the purpose of strengthening the over-all governmental intelligence structure for the production and coordination of foreign economic intelligence relating to the national security, the following policies and operating procedures are hereby established:

1. Policies

In carrying out their foreign economic intelligence activities and responsibilities, and in order to effect a better coordination in the production and exchange of foreign economic intelligence, the interested departments and agencies will apply the following basic principles:

- a. No complete separation of interests is possible or necessarily desirable in economic intelligence activities.
- b. Full and free interchange of all pertinent information ~~and~~ finished intelligence and schedules of research programs, including external research, between all agencies concerned is essential.
- c. No one agency is considered to be the undisputed authority in any field; conclusions may be questioned by other IAC agencies and dissents recorded.

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d. Each agency will be responsible for fulfilling its departmental requirements for economic intelligence; it shall give full recognition to the finished intelligence, produced by other agencies, but any agency may make such studies as it believes necessary to supplement the intelligence produced by other agencies. However, basic research studies should *or disseminated outside the producing agency* not normally be undertaken ~~without~~ consultation with the agency having primary responsibility for the subject matter involved.

e. An agency charged with primary responsibility in a particular field will develop special competence in that field and will normally carry out most of the research in that field.

f. Each intelligence agency will endeavor to coordinate the intelligence activities of its Technical Services and its other facilities having economic intelligence production capabilities with the work of the IAC intelligence agencies and to make available to those agencies the intelligence produced by such Services and facilities.

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- 2 d. The existing allocations of production responsibility for National Intelligence Surveys (NIS) are not changed by this directive even though such allocations may, in some instances, be at variance with agency responsibilities specified in paragraphs (a), (b) and (c). However, the EIC will from time to time examine such allocations and after consulting with the NIS Committee will make appropriate recommendations.
- 2 e. Despite the above-mentioned allocations of primary responsibilities, there will be areas of common or overlapping interest which will require cooperation and continuing interagency liaison.

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3. Responsibility for Economic Intelligence Coordination

a. To assist the Central Intelligence Agency in carrying out its responsibilities with respect to coordination, the Economic Intelligence Committee (EIC) shall continue to perform the functions outlined in IAC-D-22/1 (Revised), 29 May 1951. Further, the EIC will be responsible for (1) reviewing from time to time the allocations of responsibility assigned herein; (2) for determining how the provisions of this directive apply, particularly in areas of common or overlapping interest; and (3) for recommending to the IAC appropriate changes in the allocations of responsibility assigned herein.

b. In order to minimize the duplication of effort and expense; (1) the EIC will prepare and circulate consolidated periodic lists of the economic research being conducted within the intelligence agencies; and (2) agencies sponsoring external research projects, involving more than \$5,000, in support of economic intelligence production will submit descriptions of the scope of such projects to the EIC for review. The EIC will endeavor to present its recommendations in advance of final approval by the contracting agency. In its periodic reports to the IAC the EIC will include a summary report of actions on these projects.

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STATE DEPARTMENT'S PROPOSED LANGUAGE FOR SECTION 2

2. Allocation of Primary Production Responsibilities

a. The Department of State is responsible for the production of economic intelligence on countries outside the Soviet Bloc* and for the production of politico-economic intelligence on the Soviet Bloc (including by way of illustration, interpretation of Communist economic ideology, organizations and institutions of the Soviet Bloc economies, Communist economic planning and policies, slave labor, political and social aspects of agrarian and fiscal policy, economic warfare tactics and East-West trade).

b. The departments of the Department of Defense are responsible for military-economic intelligence on all foreign countries (including, by way of illustration, intelligence on military requirements, military end-item production, shipbuilding and ship movements, logistic capabilities, vulnerabilities to all forms of military attack, and target systems analysis).

c. The Central Intelligence Agency, as a service of common concern, is responsible for all aspects of economic intelligence on the Soviet Bloc except those specified in paragraphs (a) and (b) above. In addition, with full recognition given to the intelligence produced by other agencies, it shall supplement this intelligence by such independent analysis and studies as may be necessary to produce integrated economic intelligence on the total economy of the Soviet Bloc.

*As used herein, "Soviet Bloc" includes USSR, Communist China, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Soviet occupied portions of Germany and Austria, and Communist dominated portions of Korea and Indochina.

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2. Allocation of Primary Production Responsibilities

a. The production of foreign economic intelligence on countries outside the Soviet Bloc, except for specific aspects of a military-economic nature as assigned in paragraph 2.b., is the primary responsibility of the Department of State. For countries within the Soviet Bloc, the Department of State is responsible for providing political and sociological interpretations of economic developments (including by way of illustration, the political implications of economic planning and policies, and the political and sociological aspects of such subjects as slave labor, collectivization of agriculture, and fiscal policy).

b. The production of military-economic intelligence on all foreign countries (including by way of illustration, intelligence on military requirements, production of military materiel, shipbuilding and ship movements, logistical problems capabilities, vulnerabilities to all forms of military attack, and targets systems analyses) is the responsibility of the Department of Defense.

c. The production of economic intelligence on the Soviet Bloc (including by way of illustration, aggregative studies on Soviet Bloc economies, their capabilities and

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growth trends, as well as analyses of specific aspects of Soviet Bloc economic activity not of a military-economic nature for which responsibility is assigned in paragraph 2.b.) is the primary responsibility of the Central Intelligence Agency.

~~d. Despite the above-mentioned allocations of primary responsibilities, there will be areas of common or overlapping interest which will require continuing interagency liaison and cooperation.~~

2. Allocation of Primary Production Responsibilities

a. The production of foreign economic intelligence (except for specific aspects of a military-economic nature as assigned in paragraph 2 b) on countries outside the Soviet Bloc and of intelligence on the politico-economic aspects of such subjects of Soviet Bloc economic activity as Communist economic ideology, economic organizations and institutions, economic planning and policies, slave labor, and agrarian and fiscal policy, is the primary responsibility of the Department of State.

b. The production of military-economic intelligence on all foreign countries (including by way of illustration, intelligence on military requirements, production of military materiel, shipbuilding and ship movements, logistical problems, vulnerabilities to all forms of military attack, and targets systems analyses) is the responsibility of the Department of Defense.

c. The production of economic intelligence on the Soviet Bloc (including by way of illustration, aggregative studies on Soviet Bloc economies, their capabilities and growth trends, as well as analyses of those non-military aspects of economic activity, such as agriculture and

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the metallurgical, machinery building, and construction industries, for which responsibility is not assigned in paragraph 2 b) is the primary responsibility of the Central Intelligence Agency. In providing independent analyses and studies in the production of integrated economic intelligence on the countries of the Soviet Bloc, the Central Intelligence Agency will supplement, as necessary, and give full recognition to the intelligence produced by other agencies under the responsibilities assigned in paragraphs 2 a and 2 b.

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